

**United Nations Global Compact
Communication on Progress
Period Covered: June 2010-December 2011**

Statement of Continued Support

BrownFlynn is a corporate responsibility and sustainability consulting firm committed to the belief that by doing good and doing well, our clients—as well as society as a whole—will win. The Ten Principles of the United Nations Global Compact (UNGC) embody this belief, and therefore we are in full support of the UNGC and its mission. As the first U.S.-certified training partner of the Global Reporting Initiative (GRI), we are educating individuals and organizations on the importance of transparency and non-financial reporting. We make a conscious effort every day to spread this message. This past year marked our 15th anniversary in business. To celebrate this milestone, we committed to facilitating 15 educational events that focused on sustainability. Our cornerstone event was the world's largest GRI training which happened in April 2010 at Cleveland State University—more than 150 graduate and senior college students and professors participating. Though our firm is based in the United States, our clients are global and by nature our business is global, sustainability is important to everyone and everything and is essential to the welfare of our planet and its people.

Sincerely,



Barb Brown & Margie Flynn

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

Principle 2: Make sure that they are not complicit in human rights abuses

Assessment, Policy and Goals

BrownFlynn supports the UNGC's Universal Declaration of Human Rights and all other principles that protect human rights. We have not experienced any direct impacts on human rights, nor are we aware of human rights violations in the products or services in our supply chain.

Implementation

We utilize our Sustainable Purchasing Policy to help screen against any offending products or services from our value chain. We do not have the scale or resources to perform first-party investigations of the products we buy, so we rely on the markets, government or other third-parties to identify troubling products or services.

Measurement

We have had no known human rights violations or fines from any regulatory bodies and we have no international workforce to monitor. We encourage our clients with international operations to encourage human rights protection throughout their value chains through continuous transparency and disclosure.

Labor

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4: The elimination of all forms of forced and compulsory labor

Principle 5: The effective abolition of child labor

Principle 6: The elimination of discrimination in respect of employment and occupation

Assessment, Policy and Goals

Our people are the most important resource of our Firm, and we invest tirelessly to ensure they are happy, healthy and productive individuals both in and out of the workplace. Our general office policy explains employee benefits, employee rights and responsibilities, and the values that guide our decisions. BrownFlynn is a women-owned, small business so we understand firsthand the challenges women face in the workplace. We qualify for a number of city, state and regional certifications and supplier diversity programs. We are proud that our success defies statistics and strive to serve as an example to other small- and minority-owned businesses, and are always looking to improve diversity in our own organization.

Our Firm goals as stated in our 2009-2010 Sustainability Report are:

1. Plan and execute our 15th anniversary celebration while educating the community on the importance of sustainability.
2. All BrownFlynn employees will participate in a signature educational event.
3. Improve employee engagement through education and wellness activities.
4. Plan and host an annual employee retreat to set goals, review processes and reflect on opportunities and challenges from the past year.

Implementation

BrownFlynn does not discriminate based on gender, age, race, religion, ethnicity, etc. We ensure employees are paid a fair and comparable wage, have access to and are eligible for benefits, and work in a safe and healthy environment. We have an open-door policy wherein employees are encouraged to offer honest feedback and/or suggestions to management (when applicable). Further, we conduct mid-year and annual performance reviews for all employees as a formal venue for discussion. We are always in compliance with all relevant labor regulations.

We succeeded in achieving goals 1, 2 and 4. In April 2011, we conducted the world's largest GRI-certified training at Cleveland State University. More than 150 graduate and senior college students and faculty attended our training, where our entire BrownFlynn team was present and involved. We also committed to and achieved conducting 15 educational events around sustainability as part of our 15th year anniversary. We held our annual staff retreat in September 2011, where we worked on team building, uncovering individual strengths and goal-setting for the year ahead. Goal 3 has been partially implemented; we have made a

commitment to providing employees with more opportunities for professional development and to provide employees with a healthy working environment.

Measurement

At the present time our gender diversity ratio is 23% male, 77% female. Since our last Communication on Progress our workforce has grown by 23%. Because of this we have outgrown our current office space and are in the process of looking for new office space to allow for continued growth. We have no incidents of labor violations, investigations, legal cases, rulings, fines or any other related labor events.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges

Principle 8: Undertake initiatives to promote greater environmental responsibility

Principle 9: Encourage the development and diffusion of environmentally friendly technologies

Assessment, Policy and Goals

As a corporate responsibility and sustainability consulting firm, we are by nature committed to the preservation of our planet. We understand the impacts we as humans have on the environment and recognize natural resources are finite. Though our most impactful examples of environmental sustainability take the form of our clients' initiatives, we strive to 'walk the talk' every day, not just in the workplace but at home as well. Our direct environmental footprint is minimal, everything we can do to reduce consumption and waste counts. As part of our goal setting for our previous sustainability report, we have drafted an environmental policy and a sustainable purchasing policy. Our environmental policy includes methods for reducing energy consumption, carbon emissions, water and materials consumption and the subsequent waste. Our sustainable purchasing policy includes guidelines for purchasing recycled and post-consumer materials, as well as materials from known sustainable companies.

Our firm goals as stated in our 2009-2010 Sustainability Report are:

1. Reduce energy consumption by evaluating baseline drivers and implementing at least one initiative to save energy.
2. Evaluate our supply chain based on our sustainable purchasing policy.

Implementation

We have succeeded in achieving the above goals. Each employee has been given their own receptacles to recycle paper while we also provide recycling options for basic office waste, and continue to upgrade our receptacles to include signage listing the kinds of waste that can and cannot be recycled in the kitchen area. We've reduced the amount of waste we produce in the office by switching from paper towels to cloth hand towels; using silverware and ceramic dinnerware instead of plastic and paper plates (any disposable dinnerware used is biodegradable) and recycling all plastic/glass/aluminum cans, paper and newsprint, cardboard, fluorescent light bulbs, batteries, and electronics. We also try to buy in bulk to reduce the amount of packaging that goes to the landfill.

We have strived to minimize our consumption of electricity at the office by shutting down lights and laptops that are not in use. We are also considering the replacement of older laptops and our telephone system with more energy efficient models, and we will refer to our

sustainable purchasing policy when making such decisions. In addition to new equipment, we are evaluating the use of a cloud server to replace our on-site hardware server as an additional way to reduce our energy usage. We are also committed to purchasing office supplies that are made of recycled and post-consumer materials.

We recognize that our carbon emissions associated with employee transportation and business travel are a significant environmental impact for BrownFlynn. Participating in carpooling to and from all client engagements and the use of virtual meeting technologies is encouraged to reduce our carbon footprint. With some employees having significant commute times to the office which equates to significant emissions, all employees are encouraged to telecommute whenever they are capable of performing their responsibilities outside of the office.

Measurement of outcomes

Over the past 18 months BrownFlynn has tracked key metrics such as our waste, water and electricity usages in addition to our recycling efforts.

Energy Use

We are extremely mindful of the amount of electricity we use. Any appliances that we are not utilizing are unplugged or powered down, including laptops. We work by natural light as much as possible and use indoor lighting sparingly. Where feasible, we are replacing inefficient lighting with more energy-efficient light bulbs. In regards to our services, BrownFlynn has recently become a Carbon Disclosure Project Consultancy Partner. This expansion of our business capabilities will allow us to assist our clients in accurately disclosing their GHG emissions impacts.

We have been working to better manage our energy consumption over the past 18 months. However, during this time we have seen a substantial increase in client work leading to longer working hours and an increase in staff size which we believe to be the cause of our increased kWh usage, as seen below. During the 2010-2011 reporting period our usage increased 15% per employee compared to the prior year. But over the last six months of this reporting period, we have been on pace to reduce our consumption by 6% per employee. We attribute the progress in the past six months to both an increased awareness of our usage and the summer-fall months being less demanding of HVAC systems.

	2009-2010	2010-2011	2011-2012
Total kWh	22,565	26,618	12,607 (6 mo.)
Avg kWh per employee	2,351	2,744	1,126
% Δ kWh		+15%	-6%

Water

BrownFlynn has consumed 50.1 million cubic feet (mcf) of water since our last Communication on Progress. From June 2008-January 2010 our average quarterly meter reading was 0.8 mcf. From April 2010-January 2012 our water meter readings were in dispute, increasing to an average of 7.8 mcf. After investigation of this increase, we discovered an underground leak in a water supply line to our boiler. After the leak was fixed, the January 2012 reading was 0.4 mcf, bringing us back to an accurate level comparable with our April 2010 reading.

Waste and Recycling

Raising awareness with our team members has encouraged all of us to be more conscious about what gets thrown away. We are currently reevaluating our ability to monitor our waste streams. At this time we do not have an accurate measurement system in place but we have estimated that 1,365 lbs of refuse has been disposed of during the past 18 months. We continue to look for other ways to reuse or recycle all waste at our single location.

As we continue to grow, we will be looking at alternative spaces to accommodate our larger staff, we are looking for spaces that will allow us to incorporate best practices surrounding energy efficiency and waste and water management best practices.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

Assessment, Policy and Goals

Much like human rights, as consulting services providers, corruption is not a material issue. Nonetheless, we have zero tolerance for corruption and follow all applicable laws.

Implementation

Our anti-corruption policy is to be fully compliant with the law.

Measurement of Outcomes

We evaluate our anti-corruption performance against the applicable laws. We have not had any corruption issues, nor do we expect to have any.